

1199SEIU

United Healthcare Workers East
Massachusetts Division

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AUG 3 - 2010

June 30, 2010

Ms. Joan Gorga, Director
Determination of Need Program
Department of Public Health
99 Chauncy St.
Boston, MA 02111

Public Charities Division - Caritas Transaction
Office of Attorney General Martha Coakley
One Ashburton Place
Boston, MA 02108

RE: 1199SEIU's statement of support for the acquisition of Caritas Christi Health Care by Steward Health Care System

Dear Director Gorga and Attorney General Coakley:

I am writing today to comment on the acquisition of Caritas Christi Health Care (Caritas Christi) by Steward Health Care System.

The members of 1199SEIU United Healthcare Workers East are interested and invested in Caritas Christi's success, and on their behalf, I am writing today in support of Caritas Christi's acquisition by Steward Health Care System. Caritas Christi is the largest network of community hospitals in the state, employing over 12,000 people in 55 communities across the Commonwealth. After years of poor financial results, new leadership has significantly strengthened the system's financial position, and provided new opportunities for stability and growth. This sale is an opportunity to continue this trend in a way that benefits workers and the communities that depend on Caritas Christi for care.

The transaction is a good deal for the more than 3,000 1199SEIU members at Caritas Christi who will continue to have access to a living wage, the innovative Training and Upgrading Fund, and other benefits secured through the historic 1199SEIU/Caritas Christi labor agreement. Job stability and continuity are assured under the sale agreement, as is the continuation

of joint labor-management committees, a unique approach to problem-solving focusing on improving the quality of care in the communities Caritas Christi serves. Steward will recognize existing collective bargaining agreements system-wide, and will continue to view labor relations through the prism of social justice. Steward will assume all pension liabilities for current and past employees, ensuring that workers will receive the retirement benefits due to them. The sale will allow Caritas Christi to continue to provide affordable health care options for all workers.

The communities Caritas Christi serves will benefit from this acquisition. Steward Health Care System will immediately invest \$116 million to complete important renovations at each of the system's six hospitals. In addition, each hospital will have a local board of directors, continue to provide vital community benefit programs, and will follow existing charity care and other policies governing medical care for the poor. This agreement will allow for significant investments in the hospital campuses and the local workforce, upgrades that are both necessary and will provide good local jobs, and demonstrates a serious long-term commitment to the patients, workers and communities, and we believe this deal is essential to the long-term survival of these hospitals. Without the serious infusion of capital this deal provides, the future of these hospitals would be more tenuous.

The transaction will benefit municipal governments and local workforce development. Having the hospitals on the tax rolls will bring needed revenue at a time when many local government budgets are strained. The information technology and capital investments will also allow the Caritas Christi to attract top talent, and better train their existing workforce. This transaction will also mean that the hospitals will continue their vital roles in providing healthcare and jobs without the fear of closure or reductions in service.

Like many others, we have been skeptical of for-profit hospital acquisitions, and have even opposed some for-profit acquisitions in the past. However, in this case, we believe this sale will bring greater long-term financial stability and a brighter future to Caritas Christi, the workers it employs and the communities it serves. The members of 1199SEIU support the sale of Caritas Christi to Steward Health Care System, and we look forward to continued cooperation in support of the hospitals and all those who depend on them for care.

Sincerely,

A handwritten signature in black ink, appearing to read "V. Turner", with a stylized flourish at the end.

Veronica Turner
Executive Vice-President Elect
1199SEIU United Healthcare Workers East